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POLICY RESEARCH NOTES

PUBLISHED BY ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE, USDA,
AND NORTH CENTRAL REGIONAL PUBLIC POLICY RESEARCH COMMITTEE

Number 9

January 1980

For professionals in Public Agricultural and Food Price and Income Policy Research,
Teaching, Extension, and Policymaking

INTRODUCTION

The fast pace of public policy decision-making about agriculture in recent weeks seems almost like a rerun of a period of the early 1970s. This thought is reinforced as many educational efforts are being geared up again for the upcoming intense period of agricultural and food policy development. These efforts dramatize the importance of continuous and current contact among professional workers in the many areas of this stream of public policy. The objective of this newsletter is to help provide a communication linkage among those on the Policy Workers List and others interested. Requests for copies of earlier issues of these Notes and for the latest Policy Workers List, and comments or suggestions about them, may be sent to either address below.

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Policy Research Notes is a cooperative effort of ESCS and the North Central Regional Public Policy Research Committee. The Notes are prepared by Cecil W. Davison, ESCS, 500 12th Street S.W., Washington, D.C. 20250, and R. G. F. Spitze, 305 Mumford Hall, University of Illinois, Urbana, Illinois 61801.

ANNOUNCEMENTS

Thirtieth National Public Policy Education Conference

The next NPPEC for policy extension workers, and others in the many areas of agricultural and food policy, has been scheduled for September 15-19, 1980, in Vail, Colorado. Program planning is now underway. For further information, contact Gene Engel, chairman of the NPPEC program planning committee, University of Massachusetts, or Jim Hildreth, Farm Foundation.

Western Extension Policy Committee Focuses on Land Policy

The Western Extension Policy Committee is well along on development of several educational materials and workshops associated with the Federal Land Use Policy Project. Most of the publications and visual aids are scheduled for release within the next few months and the workshops are to be held soon thereafter. The project represents a coordinated effort of a region to concentrate on a central policy issue particularly important to that area and to fashion a bold educational approach beginning with the research foundations and working through to citizen involvement.

Publications Planned

1. Planning for the Management and Use of Public Lands (Regional Circular)
2. Public Land Management Concerns: The View of Oregonians
(Oregon State Circular)
3. A Guide to the Basis of the Environment Statement Process
(Regional Circular)
4. Citizen's Guide to Participation in Federal Land Use Planning
(Regional Circular)
5. Directory to Groups and Organizations Concerned with Public Land Management in Oregon
(Oregon State Circular)
6. Synopsis of Major National Legislation Relevant to Land Use Planning
(Regional Circular)
7. An Historical Review of Federal Rangeland Policy (Regional Circular)
8. The Badgerville Planning Unit (Simulation Exercise)
9. Multiple Use Decision Making (Regional Circular)

Visual Aids Planned

1. Our Federal Lands: A Resource Management Challenge
(Slide-Tape Program)
2. U.S. Forest Service Land and Resource Management Planning
(Slide-Talk with Fact Sheets and Script)
3. Bureau of Land Management Resource Area Planning
(Slide-Talk with Fact Sheets and Script)

Workshops Planned

1. Environmental Impact Statements--The NEPA Process
2. North Fork John Day River Wilderness Proposals
3. The Facts About Elk Management
4. The BLM Wilderness Inventory

For further information about these varied educational policy activities, contact members of the Western Extension Policy Committee or Tiff Harris, Department of Agricultural and Resource Economics, Oregon State University, Corvallis, Oregon 97331.

NPPEC Committee Prepares Policy Issue Papers

A national author group has now completed preparation of papers on the priority issues expected in the upcoming 1980-81 period of the development of Agricultural and Food Policy. The effort is under the direction of a steering committee sponsored by the National Public Policy Education Committee. Papers and authors include:

1. "Agriculture and Food Situation, Policies and Issues" by R. G. F. Spitze and Norbert Dorow.
2. "Farm Price and Income Policies" by Roy Frederick and Milton Erickson.
3. "Food Prices, Supplies and Stability" by Dennis Henderson and Wallace Barr.
4. "International Trade Issues" by Bob Jones and Bernard Stanton.
5. "Family Farm Survival: Farm Structure Issues and Policies" by Ron Knutson, Pete Emerson, and Bill Black.
6. "Crop Production Protection Policy" by Tom Miller and Warren Trock.
7. "Nutrition Policy, Food Quality and Assistance" by Fred Woods, Tom Stucker, and Keith Scarce.
8. "Natural Resources: Implications for Agricultural, Environmental, and Energy Policies" by Roy Carriker, Bill Neely, and Norman Rask.
9. "How Agricultural and Food Policies are Developed" by Harold Guither and Jean Wyckoff.

The papers are expected to be published first in a reference volume early in the year, followed by further review and release in an extension leaflet format.

For further information on availability, contact the Chairman of the Steering Committee, Norbert Dorow, Extension Economist, North Dakota State University, Fargo, North Dakota 58105.

Southern Extension Public Affairs Committee Plans Workshops

Two workshops are planned for this spring for policy workers particularly interested in Community Resource Development and International Trade.

1. Southern Regional Public Policy Workshop, March 30-31, April 1-2, 1980, at the Holiday Inn University and Convention Center, Olive Branch, Mississippi, planned for Community Resource Development and Home Economics Personnel.
2. Workshop on "International Trade and U.S. Agriculture: Potentials and Problems," May 22-23, 1980, at Hilton Inn-Airport, Opryland, Nashville, Tennessee, planned for extension and agribusiness policy workers.

For further information, contact Bob Robinson (Committee Chairman), Department of Agricultural Economics and Rural Sociology, Clemson University, Clemson, South Carolina 29631.

Interest in YOUR FOOD Continues

The several educational materials produced by the YOUR FOOD project and reported in Policy Research Notes, January 1978, continue to be in demand as food issues remain a priority interest. Your Food: A Food Policy Basebook (NPPEC-5) is available for use in the college classroom, or by extension specialists. It was written by 16 authors representing six disciplines and 11 universities. The bulletin discusses these world and domestic food issues: will there be enough, who will get it, how will it be shared, will it be safe and good for you, who will control it, and the politics of food policy.

Cost is \$1.00 for single copies; \$9.00 for 10 copies. Address requests to Wallace Barr, 2120 Fyffe Road, Ohio State University, Columbus, Ohio 43210.

North Central Policy Research Project Nearing Publication

Contributors from various regions to the NC-152 Research Project on "Economic Consequences of Selected Provisions of the Food and Agriculture Act of 1977" will be meeting in February and March as the work on its three phases (reported in Policy Research Notes, July 1979), is moving to final analysis and publication stages.

The primary surveys of households in the food stamp subproject (4 states in West, North Central, and Southeast) and farmers in the grain reserves subproject (8 states in Plains and North Central) have been completed and analysis is underway. Second drafts of papers summarizing the research knowledge and policy alternatives relevant to six problem areas (authors from West, Southwest, North Central, East, and USDA) are being reviewed for publication as a regional research bulletin. Findings of these research efforts should be useful in the upcoming 1980-81 development of Agricultural and Food Policy.

For further information, contact the coordinators for the subprojects (Food Stamps - Kristin Kline, Virginia Polytechnic Institute and State University; Grain Reserves - Mary Ryan, University of Minnesota; Policy Alternatives - Bob Spitze, University of Illinois) or the project chairman, Marshall Martin, Purdue University.

1979 Edition of INCREASING UNDERSTANDING OF PUBLIC POLICIES Available

The proceedings of the recent National Public Policy Education Conference has just been published as the 29th edition of this valuable series. The theme was "Controlling Inflation: Overview; Alternative Approaches; Impacts and Implications." Geared to Extension workers, these educational materials attempt to identify important issues and some of the alternatives for dealing with inflation.

For single copies of this publication, Increasing Understanding of Public Problems and Policies-1979, or for information about availability of larger orders, contact the public affairs specialist with the Cooperative Agricultural Extension

service in the land grant university of your state, or Jim Hildreth and Walter Armbruster, Farm Foundation, 1211 W. 22nd Street, Oakbrook, Illinois 60521.

Symposium on Rural Policy and Farm Structure

This symposium, to be held October 20-22, 1980 at Iowa State University, will be sponsored by the University, the U.S. Department of Agriculture, the Farm Foundation, and the Policy Studies Organization. It will be an interdisciplinary effort drawing on the skills and perspectives of political scientists, economists, physical scientists, historians, sociologists and other scholars with professional interest in agriculture and rural society. Areas to be investigated include farm structure and social goals, institutional forces shaping agriculture, farm structure and rural America, and national farm structure policies abroad. Initiatives to investigate anew the relationship between public policy and agricultural structure may well continue into the 1980's, but they are of special importance currently because the authority for many USDA programs is due for renewal in 1981. Plans have been made to edit a special issue of Policy Studies Journal on the subject of rural policy, including structural variables, and two books dealing with rural policy and agricultural structure. These publications will include symposium papers which are judged to be appropriate, as well as other papers.

Send paper proposals as soon as possible and requests for more information to Don Hadwiger, Department of Political Science, Iowa State University, Ames, Iowa 50011.

Arizona Trade Policy Symposium Book Published

The proceedings of the April 1977 Arizona Trade Symposium are now available (charge). This publication, International Trade and Agriculture Theory and Policy, edited by Jimmie S. Hillman and Andrew Schmitz, can be ordered from Westview Press, 5500 Central Avenue, Boulder, Colorado 80301.

As previously reported in Policy Research Notes, January 1978, this book includes parts dealing with General Theory and Policy, Gains from Trade-Theory Reexamined, Analysis of Agricultural Trade Problems, and Research and Research Needs.

Research, Extension, Higher Education for Small Farms

The Joint Council on Food and Agricultural Sciences established an ad hoc Committee on Small Farms to review the educational needs, challenges, and opportunities for the Cooperative Federal-State Agricultural Educational Services in the problem area of small farms. A report has been issued.

Inquire about this effort and request a report by the above title from Jim Nielson, Executive Director, Joint Council, Room 304-A, SEA U.S. Department of Agriculture, Washington, D.C. 20250.

Task Force Leaflets on Tobacco Policy--Correction in Previous Report

The announcement in Policy Research Notes, July 1979, listed incorrectly the contact person concerning the preparation of leaflets about tobacco policy by several Southern policy committees. For information about this project and the leaflets being published, please contact Harold G. Love, Department of Agricultural Economics, University of Kentucky, Lexington, Kentucky 40506.

AGRICULTURAL-FOOD POLICY DECISIONS: UPDATE

Compiled by

Frederick J. Nelson and Cecil W. Davison*

U.S. Suspension of Shipments of Agricultural Commodities To The Soviet Union

On January 4, 1980, President Carter announced a series of important decisions and proposals in response to the Soviet invasion of Afghanistan. Acting under the broad powers given to him by the Export Administration Act of 1979, the President suspended all grain shipments to the Soviet Union in excess of the 8 million tons per year we are committed to sell under a previous 5-year grain sale agreement which expires next year. The President also directed that exports of other agricultural products to the Soviet Union be suspended and that no sales of high technology or other strategic items be licensed for sale to the Soviet Union until further notice. Several other actions are being taken including the withholding of Soviet fishing rights allocations within the 200-mile fishery zone.

These actions, taken for urgent reasons of national security and foreign policy, will deny shipment of 17 million tons of grain and about 1 million tons of soybeans and soybean products. This will seriously retard achievement of a longstanding goal of the Soviet planners to increase meat production.

The President also directed that actions be taken so as not to place an unfair burden on American farmers as a result of the economic sanctions against the Soviet Union. A series of specific governmental actions were announced which were designed to fully offset the potential decline in farm prices and incomes.

These actions included the following:

- o Purchase of 4 million tons (150 million bushels) of wheat, including the assumption of the contractual obligations on up to 3.7 million tons previously committed for shipment to the Soviet Union;
- o Assumption of contractual obligations for up to 10.0 million tons (395 million bushels) of corn;
- o Request for a supplemental appropriation for FY 1980 to augment current foreign assistance programs -- wheat previously destined for export to the Soviet Union will be used for shipments to needy nations under the PL 480 program or for the Food Security Reserve which Congress has been asked to authorize;

*Agricultural economists with the National Economics and International Economics Divisions, respectively, Economics, Statistics, and Cooperatives Service (ESCS), U.S. Department of Agriculture. Many persons provided information and advice in preparation of this report including Joyce Allen (food programs), Georgiana Francisco and Gail Clark (congressional activity), Austin Fox (grain reserves) and others in ESCS; Paul Meyers, World Food and Agricultural Outlook and Situation Board (commodity programs); and numerous persons in the Agricultural Stabilization and Conservation Service.

- o Immediate increase of incentives for farmers to place grain in the Farmer-owned Reserve program or under CCC loan by increasing loan rates and reserve release and call price levels and storage payments, and by waiving first year interest costs for the next 13 million tons (512 million bushels) of corn entering the reserve;
- o Implementation, if necessary, of a paid acreage diversion program for 1980 crop grains;
- o Promotion of increased use of grain for the production of alcohol for gasohol through incentives recently announced by the Administration;
- o Promotion of increased exports through recommended amendments to the non-commercial risk assurance export credit program which would make it a fully federally guaranteed credit program.

Some of the above actions and proposals require legislative actions or are subject to review by Congress. To the extent possible, program details and plans are included in the following discussion of policy decisions made by the Administration and the Congress since the last issue of PRN.

Federal Executive Implementation

<u>Commodity Programs</u>	<u>1977</u>	<u>1978</u>	<u>1979 8/</u>	<u>1980 8/</u>
Wheat				
Target price (\$ per bu.)	2.90 <u>1/</u>	3.40	3.40	3.08 <u>9/</u>
Loan level (\$ per bu.)	2.25 <u>2/</u>	2.35 <u>3/</u>	2.50	2.50
Reserve release level (\$ per bu.)	3.15	3.29	3.75	3.75
Reserve call level (\$ per bu.)	3.94	4.11	4.63	4.63
Set-aside (percent)	---	20	20	---
Diversion (percent)	---	---	---	---
Voluntary reduction (percent)	---	20	15	<u>7/</u>
National program acreage (mil. acres)	62.2	58.8	67.6	70.0
Corn				
Target price (\$ per bu.)	2.00 <u>1/</u>	2.10	2.20	2.05 <u>9/</u>
Loan level (\$ per bu.)	2.00 <u>2/</u>	2.00 <u>3/</u>	2.10	2.10
Reserve release level (\$ per bu.)	2.50	2.50	2.63	2.63
Reserve call level (\$ per bu.)	2.80	2.80	3.05	3.05
Set-aside (percent)	---	10	10	---
Diversion (percent)	---	10	10	---
Diversion payment (\$ per bu.)	---	.20	.10	---
Voluntary reduction (percent)	---	5	10	<u>7/</u>
National program acreage (mil. acres)	60.9	76.2	86.6	83.5
Sorghum				
Target price (\$ per bu.)	2.28	2.28	2.34	2.45 <u>9/</u>
Loan level (\$ per bu.)	1.90	1.90	2.00	2.00
Reserve release level (\$ per bu.)	2.38	2.38	2.50	2.50
Reserve call level (\$ per bu.)	2.66	2.66	2.90	2.90
Set-aside (percent)	---	10	10	---
Diversion (percent)	---	10	10	---
Diversion payment (\$ per bu.)	---	.12	.10	---
Voluntary reduction (percent)	---	5	10	<u>7/</u>
National program acreage (mil. acres)	16.4	13.7	15.3	14.7

	<u>1977</u>	<u>1978</u>	<u>1979 8/</u>	<u>1980 8/</u>
Barley				
Target price (\$ per bu.)	2.15	2.25	2.40	2.29 <u>9/</u>
Loan level (\$ per bu.)	1.63	1.63	1.71	1.71
Reserve release level (\$ per bu.)	2.04	2.04	2.14	2.14
Reserve call level (\$ per bu.)	2.28	2.28	2.48	2.48
Set-aside (percent)	---	10	20	---
Diversion (percent)	---	10	---	---
Diversion payment (\$ per bu.)	---	.12	---	---
Voluntary reduction (percent)	---	20	30	7/
National program acreage (mil. acres)	11.7	7.5	7.8	8.4
Oats				
Loan level (\$ per bu.)	1.03	1.03	1.08	1.08
Reserve release level (\$ per bu.)	1.29	1.29	1.35	1.35
Reserve call level (\$ per bu.)	1.44	1.44	1.57	1.57
Rye				
Loan level (\$ per bu.)	1.70	1.70	1.79	1.79
Soybeans				
Loan level (\$ per bu.)	3.50	4.50	4.50	4.50
Upland cotton				
Target price (cents per lb.)	47.80 <u>1/</u>	52.00 <u>2/</u>	57.70	58.4
Loan level (cents per lb.) <u>1/</u>	44.63	48.00	50.23	48
Set-aside (percent)	---	---	---	---
Diversion (percent)	---	10	---	---
Diversion payment (cents per lb.)	---	2.0	---	---
Voluntary reduction (percent)	---	20	15	10
National allotment (mil. acres)	11.0 <u>2/</u>	---	---	---
National program acreage (mil. acres)	---	10.2	10.6	11.6
Extra long staple (ELS) cotton				
Loan level (cents per lb.) <u>2/</u>	76.70	83.20	92.95	93.50
National marketing quota (1,000 bales)	113	97	137	161
National acreage allotment (1,000 acre)	120.0	92.4	115.0	131.7
Rice				
Target price (\$ per cwt.) <u>1/</u>	8.25	8.53	9.05	9.49
Loan level (\$ per cwt.) <u>1/</u>	6.19	6.40	6.79	7.12
Reserve release level (\$ per cwt.)	8.67	8.96	9.51	6/
Reserve call level (\$ per cwt.)	9.90	10.24	10.86	<u>6/</u>
Set-aside (percent)	---	---	---	---
Diversion (percent)	---	---	---	---
National allotment (mil. acres) <u>1/</u>	1.8	1.8	1.8	1.8
Sugar cane				
Loan level (cents per lb., raw value)	13.50	14.73	13.00	<u>6/</u>
Flue-cured tobacco				
Loan level (cents per lb.) <u>1/</u>	113.8	121.0	129.3	141.5 <u>4/</u>
Effective marketing quota (mil. lb.)	1,197	1,181	1,070	1,187 <u>4/</u>
Effective national allotment (1,000 acres)	636	624	577	640 <u>4/</u>
Burley tobacco				
Loan level (cents per lb.) <u>1/</u>	117.3	124.7	133.3	6/
Effective marketing quota (mil. lb.)	684	651	650	780 <u>4/</u>

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Peanuts				
Loan level, quota peanuts (\$ per ton) <u>2/</u>	410.50 <u>5/</u>	420	420	455
Loan level, non-quota peanuts (\$ per ton)	---	250	300	250
Marketing quota (1,000 tons) <u>2/</u>	2,069	1,680	1,596	1,516
Acreage allotment (1,000 acres) <u>2/</u>	1,614	1,614	1,614	1,614
Flaxseed				
Support level (\$ per bu.)	---	4.50	4.50	4.50 <u>4/</u>
Wool				
Support level (cents per lb.) <u>1/</u>	99	108	115	123
Mohair				
Support level (cents per lb.) <u>2/</u>	149.8	164.7	194.3	290.3
Gum naval stores				
Support price for gum rosin (\$ per cwt.)	16.75	---	---	<u>6/</u>
Loan level for gum rosin (\$ per cwt.)	---	21.40	23.75	<u>6/</u>
Honey				
Loan level (cents per lb.) <u>2/</u>	32.7	36.8	43.9	<u>6/</u>

1/ Set by law.

2/ Minimum allowed by law.

3/ Under provisions of the 1977 Act the Secretary could have lowered the loan level for 1978 wheat and corn because the average market price received by farmers in the 1977 crop year did not exceed 105 percent of the loan.

4/ Preliminary.

5/ Support level of \$430.50 minus \$20 per ton deducted for storage, handling, and inspection costs.

6/ Not yet announced.

7/ The "voluntary reduction" in 1980 is that 1980 planted acreage not exceed 1979 considered planted acreage levels (see text discussion of the allocation factor).

8/ The loan rates and reserve release and call levels for wheat, rye, and feed grains are those announced in early January 1980 for the 1979 and 1980 crops. The 1978 levels were applicable prior to January 1980. Producers with reserve contracts outstanding on 1979 crops at the time of the January announcements may have slightly lower release or call levels than those announced unless they sign new 3-year contracts (see text).

9/ Under the Agricultural Adjustment Act of 1980, producers who stay within their "normal crop acreage" may receive these higher target prices: \$3.63 per bu. for wheat, \$2.35 per bu. for corn, \$2.50 per bu. for sorghum, and \$2.55 per bu. for barley.

CCC diversion of Russian grain and soybeans. In order to protect American farmers from adverse price effects associated with the suspension of grain exports to the Soviet Union, the Commodity Credit Corporation (CCC) will take the steps necessary to ensure that the undelivered grain and soybeans are isolated from the market. The President directed the Secretary of Agriculture to offer to purchase contractual obligations for wheat, corn, and soybeans previously committed for shipment to the Soviet Union. The CCC will assume these contracts at the contract price minus any costs that have not already been paid. The Secretary has announced that all of the wheat will be used for foreign food assistance--none will move back into commercial markets under any circumstances. In the case of the corn involved, the CCC can either take actual physical delivery, or sell the contract to another party. Under current law, corn acquired by the CCC could not be resold in the market at a farm price lower than \$3.15 per bushel (150 percent of the loan rate). Resale of contracts to any third

parties will not take place unless the average farm price nationwide is above the January 4 level, the level before the suspension of shipments (about \$2.40 per bushel). The total quantities involved in the contractual obligations include about 10 million tons of corn, about 3.7 million tons of wheat, and about 1 million tons of soybeans and soybean products. In addition to the above actions, direct purchases by the CCC will be made as needed, and increased incentives for placing grain in the farmer-owned reserve program have been announced.

Direct purchases of grain and poultry. Two specific examples of direct purchases being taken to divert commodities previously destined for the Soviet Union involve grain which the International Longshoremen's Union (ILA) has refused to load and chickens which were also disallowed for export under the suspension. USDA will purchase or otherwise divert grain in the transportation and storage pipeline--grain which has been approved for export under the original 5-year agreement--in order to offset the ILA action. USDA invited bids for purchase of whole frozen chickens in amounts equal to that already packaged for exports, and will also make increased direct open-market purchases. All chicken acquired by this action will be used in the School Lunch Program.

Farmer-owned grain reserve goals. The 1977 Act specified that reserve goals for the farmer-owned reserve were to accumulate between 300 and 700 million bushels of wheat and such quantities of feed grains needed to promote orderly marketing. The maximum for wheat may be adjusted upward to meet any U.S. international agreement on grain reserves. In early 1977, the Secretary established initial reserve goals of 330 million bushels of wheat and 670 million bushels of feed grains. The Secretary also established a farmer-held reserve program for rice in the fall of 1978 with an initial goal of 8 million hundredweight of rice. As of January 16, 1980, there was only about 230 million bushels of wheat in the reserve compared with 412 million bushels in March 1979.

A separate emergency food reserve of up to 4 million tons of wheat had previously been proposed by the Administration, and legislation has been requested to establish such a reserve program. This legislation will insure that such reserves are used only for humanitarian purposes and that assistance will be provided even when domestic supplies are tight. The current intent is to use all of the 4 million tons of wheat (147 million bushels) purchased to offset the export suspension to establish this food reserve.

Corn reserve stocks totaled 609 million bushels in mid-January. The current intention is to offer incentives for an additional 512 million bushels of corn (13 million tons) to move into the reserves, as necessary, in order to fully offset the impact of the export suspension.

Reserve release and call levels. Under the current rules, farmers agree to store their grain for a 3-year period (subject to early withdrawal penalties) unless prices rise to certain predetermined "release" or "call" levels. Currently, the release levels are set at 125 percent of the loan rates for feedgrains, 150 percent of the loan rates for wheat, and 140 percent for rice. At these prices and above, farmers have the option to withdraw commodities from the reserve without penalty. At or above "call" prices (185 percent of the loan rate for wheat, 160 percent for rice, and 145 percent for feed grains), farmers must either redeem their loans or forfeit the commodity to the CCC.

Prior to January 1980, the release level for wheat in the farmer-owned reserve was 140 percent of the loan rate and the call percentage was 175--the minimums allowed by law. The previous call price for feed grains was also lower--140 percent of the loan rate--but no specific minimums or maximums apply to feed grains (or rice) under the law. The CCC, however, cannot resell grain it actually owns at less than 150 percent of the applicable loan rates.

Reserve trigger prices with 1979 contracts. Producers with reserve contracts outstanding on 1979 crops at the time of the January 1980 announced changes have release and call prices based on the pre-January percentages and the new loan rates unless they sign a new 3-year contract. Under old contracts, therefore, release and call prices for wheat after the announcement are \$3.50 and \$4.38 per bushel respectively. The current call prices for feed grains placed in the reserve prior to January 1980 (unless a new contract is signed) are: \$2.94, \$2.80, \$2.39, and \$1.51 per bushel for corn, sorghum, barley and oats, respectively.

Reserve storage payments. Farmers placing grains in the reserve program receive advance storage payments on 100 percent of the grain stored on the farm or in a warehouse unless the commodity moves into release status. Storage payments stop with the second consecutive monthly release notice. The advance annual storage-payment rates were increased in January 1980 from 25 cents to 26.5 cents per bushel for wheat, corn, sorghum, and barley, and from 19 cents to 20 cents per bushel for oats. The rate continues at 85 cents per cwt. for rough rice.

Reserve program operations. Prices of commodities in the farmer-owned reserve rose high enough to reach release or call status by mid-1979. Several decisions were subsequently made to extend CCC loans and delay settlement on "called" grain. As prices reached "release" levels, beginning with wheat in the middle of May, stocks in the farmer-owned reserve began to decrease. By the end of November, farmer-owned reserve stocks of corn, oats and rice were down about 30 percent from the peak levels in early Spring. Wheat and sorghum farmer-owned reserve stocks were down a little over 40 percent, and barley was down about one-fifth.

By mid-January 1980, corn and sorghum prices were below release levels; wheat, rice, and oats were in release status; and barley remained in call status where it has been since June 26, 1979. Market prices of corn and sorghum were below release levels from early December to mid-January, and reserve stocks of both have increased again. Barley, wheat, and rice stocks have continued to decline. Oats stocks were little changed since October. Mid-January reserve stock levels include 608.8 million bushels of corn, 55.1 million bushels of sorghum and 226.9 million bushels of wheat.

Option announced on called reserve grain. The Department gave some producers the option of delaying settlement on called grain. ASCS county committees were authorized to grant extensions of the time period for settlement if a review of available storage and transportation facilities indicated such extension was needed to promote orderly marketing. With no extension, producers must redeem their called loans in 30 days or forfeit the grain to the CCC.

Maturity date on 1978 crop loans extended. In August 1979 it was announced that CCC loans on 1978-crop corn, grain sorghum, and soybeans would be allowed to continue outstanding for up to six additional months. This was done to alleviate transportation and storage problems. Extensions had previously been granted for wheat, barley, and oats. Loans on 1978-crop extra-long staple (ELS) cotton were extended in September 1979 for up to 8 months beyond regular maturity dates to give producers a chance to take advantage of strengthened foreign demand. Sugar processors were also given the option of extending their CCC loans on 1978-crop sugar up until June 30, 1980.

Recourse loan program announced for seed cotton. Initiated in 1971 to help reduce harvesting, marketing, and processing costs, the Seed Cotton Loan Program has been announced for the 1980-crop. With a "recourse" loan, the full dollar amount of the loan must be repaid. The 1980 loan is 48 cents per pound.

CCC interest rates on loans increased--special waiver announced. Interest rates on CCC price support loans were increased sharply last year. The

rate on the 1978-crop loans is 7 percent; loans on 1979 crops carry a 9-percent rate. The rate on crop storage facilities and drying equipment is 10.5 percent if the application for the loan was dated March 21, 1979 or later. Previously, the storage and drying loan rate had been 7 percent.

In January 1980 a special waiver was announced on the usual first-year interest paid by producers on loans for grain in the reserves. This waiver applies to the first 13 million tons (512 million bushels) of corn entering the farmer-owned reserve following the January announcements. Farmers who placed corn in the reserve between October 22, 1979 and January 7, 1980 will also have interest waived beginning January 7, 1980 if they sign a new contract.

Allocation factor for grain and cotton. While there are no set-aside requirements for cotton, feed grains, or wheat, farmers will be subject to the allocation factor for deficiency payment determination if their 1980 plantings exceed their 1979 "considered planted acreage" levels. A 10-percent voluntary reduction below 1979 considered acreage is required of upland cotton producers to avoid the allocation factor. The 1979 considered planted acreage includes land planted, set-aside, and prevented planting acreage.

Fragile lands. The Secretary announced that the Department was taking steps to ensure sound conservation practices in implementing 1980 commodity programs. Fragile lands (e.g., land subject to severe soil erosion) brought into production in 1980 would not, under any circumstances, be added to any possible normal crop acreage adjustments in subsequent years.

Federal crop insurance program expanded. The USDA all-risk federal crop insurance program is available in 150 additional counties for 1980, the maximum allowed under current law. This brings the total number of counties where the FCIC operates to 1,676. Current legislation, when approved, will permit expansion to other counties at a faster rate. An experimental program involving USDA and EPA will allow eligible cotton farmers in 6 Arkansas counties to receive a 20-percent premium discount on their FCIC insurance for using integrated pest management practices.

Dairy price support. Manufacturing milk for the marketing year beginning October 1, 1979 will be supported at 80 percent of parity or \$11.22 per hundred-weight for milk with a milkfat content of 3.5 percent. This compares with a support price of \$10.51 per hundredweight that has been in effect since April 1, 1979. Under existing "permanent" law, milk must be supported at between 75 and 90 percent parity to insure an adequate supply of milk.

The \$11.22 support price reflects changes in the Parity Index, the adjusted base price, and the ratio of manufacturing milk to all milk prices. This is designed to assure dairy farmers an adequate income to enable them to maintain sufficient productive capacity to meet anticipated needs. (Also see discussion of PL 96-127, below, which requires support at 80 percent of parity through September 30, 1981).

Livestock producers receive emergency feed aid. USDA, in fiscal 1979, provided \$64.6 million to livestock producers under the emergency feed program to help them buy 3.3 billion pounds of feed. Under the program, the Secretary of Agriculture is authorized to provide such aid when livestock are threatened by conditions brought on by natural disasters.

CCC raw sugar sales announced. About 30,000 tons of raw sugar were offered for sale on September 7, 1979. The CCC announced the September sales list was amended to include 1977-crop raw cane sugar which would be sold from time to time for unrestricted use. Sales procedures were revised as of December 13, 1979 to increase participation in the bidding process. Terms are permitted which conform better to normal industry sales practices.

Food Programs and Regulations

Outreach provisions. Since November 6, 1979, States have been required to implement the outreach provision of the Food Stamp Act of 1977. Regulations issued by the Department of Agriculture specify requirements for informing low-income households about the availability, eligibility requirements, and benefits of the Food Stamp Program. This information will be disseminated through media contact, toll-free hotlines, and printed materials.

Food stamp deduction. Section 5(e) of the Food Stamp Act of 1977 provides that a standard deduction be used in computing income. The standard deduction is adjusted every July 1 and January 1 to reflect changes in the Consumer Price Index for items other than food. Effective January 1, 1980, the standard deduction for the 48 contiguous states and the District of Columbia will be \$75 per month.

Child nutrition programs. The Department of Agriculture has issued interim regulations that will be used by the States to implement the provisions contained in the Child Nutrition Amendments of 1978 (PL 95-627) which amends the National School Lunch Act and the Child Nutrition Act of 1966. To encourage the expansion of the School Breakfast Program, the regulations redirect priorities for the use of food service equipment funds toward the breakfast program. A rule announced January 25 requires food sold in competition with federally subsidized meal programs to meet established nutritional standards no later than July 1, 1980. This rule will restrict sale of candy, soft drinks, and gum, for example, until after the last lunch period.

Funds approved to improve School Food Program. An additional \$4 million in funds was distributed to states to improve management of school food programs. The money is to be used to identify and correct administrative problems such as improper claims for reimbursement and claims for meals that do not meet federal nutritional standards.

Elderly nutrition program. The U.S. Department of Agriculture announced December 17, 1979, a 12-percent cost of living increase in donated foods and cash assistance provided to federally-funded nutrition programs for the elderly through September 30, 1980. These programs, run by the U.S. Department of Health, Education and Welfare, allocate USDA food or cash donations to the various states participating in the program.

Other Regulatory Actions

Contaminated tobacco destruction required. The USDA announced in July 1979 that about 600 flue-cured tobacco producers in North Carolina and South Carolina who used fertilizer contaminated with the herbicide picloram were required to destroy their unharvested tobacco as a condition for price support.

Antioxidants approved. Effective September 3, 1979, the USDA added TBHQ (tertiary butylhydroquinone) to the list of antioxidants approved for use in certain meat and poultry products. This additive, used to maintain freshness, is approved under FDA regulations. TBHQ must be listed on the label.

Perishable agricultural commodity regulations revised. Regulations which became effective October 1, 1979, set a variable fee structure for licenses required of commission merchants, dealers, and brokers who deal in interstate or foreign commerce. Fees will be based on the number of branches or business facilities operated. Furthermore, fruit and vegetable retailers must be licensed if their annual purchases of such commodities exceed \$200,000. The purpose, as set forth in the enabling legislation, is to promote fair trading in fruits and vegetables.

Sale of untied, baled burley tobacco to continue. The USDA marketing experiment allowing the sale of untied, baled burley tobacco has been continued for limited quantities through the 1979-80 season.

Marketing agents' role in tobacco storage. Beginning with 1979 crops, marketing agents are no longer permitted to store carryover tobacco under the burley and flue-cured tobacco programs. This is expected to reduce a tendency under previous rules to stimulate excess tobacco production.

Other tobacco regulations. Several changes in tobacco program rules were announced concerning reports required for tobacco on hand at the end of the marketing year and supplemental reports from dealers and buyers reflecting acquisitions not previously reported prior to February 1 for flue-cured and April 1 for burley. Requests for lease and transfer of flue-cured farm marketing quotas are due by May 1, except under special circumstances. Producers who planted flue-cured tobacco in excess of their allotments were ineligible to transfer quotas after June 14, 1979. Generally, burley quotas may not be transferred both to and from a farm in the same year.

International Trade

Grain offered to USSR--then suspended. On August 1, 1979, the Secretary announced that the Soviet Union could buy up to 10 million metric tons of U.S. wheat through September 1980, with a maximum of 2 million tons available during August-September 1979. On October 3 the offer was expanded to allow the Soviets to purchase up to 25 million tons of wheat and corn in the fourth year of the grain agreement (October 1, 1979 - September 30, 1980) without the necessity for further consultation. The 1979 Soviet grain crop totaled 179 million tons, 58 million tons below 1978 production and 48 million below plan.

Then on January 4, 1980, the President suspended grain sales to the Soviet Union in excess of the 8 million tons guaranteed annually under the 1975 agreement. Exports of other agricultural products to the Soviet Union were also suspended while export licensing procedures were reviewed. On January 29 the total ban on exports was modified to allow certain farm products not related to the feed-livestock complex and with no strategic influence to be exempt from prior licensing reviews. Such products include feathers, fruits, nuts other than peanuts, tobacco, vegetables and wood. Feed exports to the USSR are still prohibited as are wheat, soybeans, meat, poultry, dairy products, and some animal fats. Other potential exports are subject to case-by-case licensing procedures.

Ammonia import quotas instituted. On December 11 the President rejected the International Trade Commission's (ITC) proposal for quotas on anhydrous ammonia imports from the USSR, citing the need to maintain adequate fertilizer supplies at reasonable prices for U.S. farmers. After imposing the U.S.-USSR trade restriction, the President on January 18 changed his previous decision to allow unlimited imports of anhydrous ammonia from the Soviet Union by limiting such imports to 1 million short tons in calendar year 1980 as recommended by the U.S. International Trade Commission.

Cheese import quota coverage increased. USDA announced on August 1, 1979, that the total cheese import quota will be increased by about 94 percent, to no more than 111,000 metric tons. Most of this increase extends quotas to cover "price-break" cheeses previously entering the United States free of quota restrictions. The new quotas resulted from agreements reached in the Tokyo round of Multilateral Trade Negotiations and are authorized by the Trade Agreements Act of 1979. They became effective January 1, 1980, and will result in a net increase of about 15 percent in total U.S. cheese imports this year over the 1978 level of 109,855 metric tons.

New credit program available. A new program to finance international sales of U.S. breeding animals for credit terms of 3 to 10 years at commercial interest rates was announced by the Office of the General Sales Manager in August.

Sugar import fees lowered. The Administration lowered the import fee on raw and refined sugar, as world sugar prices increased since July, to maintain a domestic price objective of 15 cents per pound, raw basis.

<u>Date</u>	<u>Raw sugar</u>	<u>Refined sugar</u>
	Dollars per hundredweight	
July 1	3.36	3.88
September 1	2.76	3.28
October 1	1.76	2.28
October 18	0.76	1.28
October 24	0	0.52

Since October 24 the import fee for raw sugar has been zero and the fee for refined sugar 52 cents per hundredweight.

Policy Through Legislation

Commodity Programs

Dairy price support law. Both the U.S. Senate and the House of Representatives approved a bill in November 1979 amending the Agricultural Act of 1949 to require that the Secretary of Agriculture support the price of manufacturing grade milk at no less than 80 percent of parity through September 30, 1981. In addition, the bill requires the support price to be adjusted at the middle of the marketing year (on April 1) to reflect changes in the Parity Index during the preceding 6-month period. The President signed the law (PL 96-127) on November 28, 1979.

Improved program for ELS cotton. An act to improve the ELS cotton program was approved by the President on December 31, 1979 (PL 96-176). This act reduces the minimum required support level to 55 percent of parity and increases the minimum and maximum loan levels to 185 and 235 percent, respectively, of the upland cotton levels. Changes were also made in rules for transfer of allotments.

Marketing penalties for peanuts. The President approved PL 96-31 on July 7, 1979. This act provides the Secretary of Agriculture authority to reduce marketing penalties for peanuts if he determines overmarketing was done unintentionally or unknowingly, provided such reductions do not reduce the effectiveness of the price support program.

Prison farm exemption from penalties. Under a new law, PL 96-113 (approved November 15, 1979), the Agricultural Act of 1938 is amended to exempt state prison farms from paying marketing quota penalties with respect to the marketing of any agricultural commodity for consumption within the state prison system.

Food Stamp Program

On August 14, 1979 the President signed PL 96-58 authorizing an additional \$620 million in supplemental funds for the Food Stamp Program. The emergency legislation was needed to maintain benefits for food stamp recipients for fiscal 1979. The Food Stamp Act of 1977 limited appropriations for the fiscal year ending September 30, 1979 to \$6,158,900,000. This budget limit was based on assumptions about the performance of the economy and the number of participants in the Food Stamp Program.

The rapid rise in food prices and factors related to elimination of the purchase requirement caused the 1979 limit to be exceeded.

International Trade

Taiwan relations assured. Signed into law April 10, 1979, the Taiwan Relations Act, PL 96-8, enables the continuation of commercial, cultural, and other relations with the people on Taiwan in the absence of official government representation and diplomatic relations. It authorizes the American Institute in Taiwan, a nonprofit corporation, to conduct such affairs.

Trade barriers reduced. On July 26 the President signed the Trade Agreements Act of 1979 (PL 96-39) which authorizes the implementation of agreements signed in the Multilateral Trade Negotiations (MTN). As a result of these agreements, industrialized countries will reduce their tariffs an average of 40 percent on industrial imports from the United States and the United States will reduce its tariffs on their products by 32 percent. In terms of 1976 trade levels and values, the United States received concessions on nearly \$4 billion worth of farm products, including reductions in duties, reduction in nontariff barriers, and duty bindings. The United States granted concessions covering about \$2.6 billion.

Development funds authorized. The International Development Cooperation Act of 1979, PL 96-53, signed August 14, authorizes appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, plus the establishment of an Institute for Scientific and Technological Cooperation and other provisions.

Export control authority reasserted. The Export Administration Act of 1979, PL 96-72, signed September 29, provides authority to regulate exports, to improve the efficiencies of export regulation and to minimize interference with the ability to engage in commerce. Export trade may be controlled when such controls are necessary for fundamental national security, foreign policy, or short-supply conditions.

Meat import quotas modified. Signed into Public Law 96-1770 December 31, the Meat Import Act of 1979 amends the 1964 Act and changes the method for computing the adjusted base quantity by using a countercyclical formula to increase the quota when domestic supplies are low and to reduce the quota when U.S. meat supplies are plentiful. The Act also adds certain processed beef and veal products to the fresh, chilled, and frozen beef, veal, mutton, and goat meat covered under the 1964 law, and establishes a floor of 1.25 billion pounds of imports per year.

Estimated meat imports for 1980 would need to reach 1,668 million pounds to trigger the imposition of quotas. Current USDA estimates of available supplies indicate 1980 imports should not exceed 1,650 million pounds, thus obviating the need for either a voluntary restraint program or quotas.

Legislative Policy Plans

Legislative proposals left pending at the close of the 1979 congressional session cover a variety of issues that will likely receive significant attention in 1980.

National Issues

Commodity prices and income support. The levels of support for producers of agricultural commodities continue to be actively debated. Several bills have been introduced to raise the level of target prices. The House and Senate have passed a

bill (H.R. 3398) to increase target prices for the 1980 crops of wheat and feed grains. A House-Senate conference drafted a final version of H.R. 3398. Another bill (S. 1125) that was passed by the Senate would set up a nationwide program of federally subsidized crop insurance and would phase out disaster payments. The House has also passed a crop-insurance bill (H.R. 4119).

Congressman Weaver plans to introduce a bill to raise trigger prices for grain reserves, and legislation may be introduced in 1980 to implement a price support program for sunflower seed. Other related issues include food security reserves, pricing of reconstituted milk, and cross compliance with conservation programs. As indicated in the discussion of the suspension of exports to the USSR, the Administration has strong interest in reserve trigger prices and food security reserves as well as other planned legislation such as the crop insurance and conservation programs.

Credit issues. In the area of farm credit, 28 changes have been proposed in various bills to amend the Farm Credit Act of 1971 to improve services to borrowers. In October, the U.S. House of Representatives passed The Consolidated Farm and Rural Development Amendments Act which would establish lending levels for the Farmers Home Administration (FmHA) through FY 1982. This Act would also place guidelines and restrictions on FmHA which would seek, for example, to target benefits to "family size" corporations, partnerships, and cooperatives, and would require at least 25 percent of loans to be made to low-income borrowers. Concern has been expressed in recent hearings that the loan programs of the Small Business Administration and the FmHA may encourage concentration of production and price manipulation in the hog and cattle industries.

Energy. The resource debates--particularly for energy, land, and water--will continue in 1980. Both the House and Senate are considering energy legislation which promotes the use of crops for the production of fuels. One of the actions cited by the Administration to offset the export suspension includes increasing incentives for gasohol production. On January 11, President Carter's Alcohol Fuels Program was announced. This program includes parts of existing legislative proposals (such as the Windfall Profits Tax Bill and S. 932) as well as new initiatives designed to permit gasohol to become economically competitive with unleaded gasoline and to stimulate new investment in facilities to produce ethanol. One specific action was announced on January 19--USDA will make rural industrial loans for alcohol fuel production. The Farmers Home Administration is allocating \$110 million of current funds to help finance business and on-farm alcohol, methane, and fuel production facilities.

Land, water, and other inputs. Recent discussion of conservation issues has focused on alternative ways to encourage farmers to use good farming practices. Other recent issues relate to water development and subsidization, adequacy of transportation facilities to handle export levels, deregulation of transportation, and farm labor regulations. Farmland preservation was the goal of a bill introduced by Rep. Jeffords in March 1979 (H.R. 2551). This bill, named the Agriculture Land Protection Act, was recently defeated on the House Floor. If passed, the bill would have authorized Federal action to support state and local governments in efforts to reduce the conversion of agricultural land to nonfarm use.

Taxation. Proposed tax laws awaiting further Congressional action deal with special farm-income accounting rules, valuation of farmland for taxation purposes, estate and gift taxes, and capital gains taxation.

Nonfarm involvement in agriculture. Legislation introduced to prohibit certain nonfarm and foreign persons and businesses from acquiring and farming farmland has received attention during the past year. Additional debate awaits results of a USDA study of the administration of the Agricultural Foreign Investment Disclosure Act of 1978 (PL 95-460).

Family farm development. Congressmen Nolan and Brown introduced a new draft of the Family Farm Development Act in January 1980 (H.R. 6295). The bill is aimed at assisting small and moderate sized family farms through a variety of provisions that would affect coordination and evaluation of USDA activities; research, education, and training programs; federal grants and economic incentives; and marketing and technical assistance programs. Further, the bill includes "Amendments to the Internal Revenue Act of 1954" which are aimed at changing accounting procedures, limiting deductions of certain persons, and taxing capital gains of foreign owners of U.S. farmland. Programs would also be established to encourage production of gasohol, help new and young farmers buy farmland, and limit the amount of retail food price changes when they are not also reflected in farm level price changes.

Food stamp amendments. The House Agriculture Committee has approved a bill that eliminates the food stamp appropriation limit for fiscal 1980 and 1981, and increases the appropriation in both years. The Senate has already approved legislation to remove limits on spending. Changes in the number and amount of deductions from gross income that are allowed are also authorized in this bill. A separate deduction for dependent care is established, and any emergency fuel assistance payments are to be excluded from gross income.

Welfare reform. On November 7, 1979 the House approved a bill that requires major changes in the present welfare system. This bill would establish a national minimum benefit thus raising welfare benefits in the low-benefit states. It requires states to pay a combined minimum benefit in the form of AFDC (aid for dependent children) payments and food stamp benefits equal to 60 percent of the poverty level starting January 1, 1981, and 65 percent of the poverty level starting October 1, 1981.

Households consisting of only Supplemental Security Income (SSI) recipients living alone or with a spouse eligible for SSI would receive benefits from the Food Stamp Program in the form of cash instead of food stamps beginning October 1, 1981. An amendment to the bill allows states to ask the Department of Agriculture to provide payment of cash in lieu of food stamps to households containing only persons aged 65 or over who do not meet the eligibility standards for SSI payments.

Bargaining, competition, and marketing. A number of proposals are being considered to deal with issues related to market power and improvement of the marketing system. The purpose of the proposed National Agricultural Bargaining Act would be to provide rules for negotiated pricing and to provide producers increased bargaining power. In November the House passed an amendment to the Federal Trade Commission Act which would prohibit the use of FTC funds for purposes of conducting any study, investigation, or prosecution of agricultural cooperatives and market orders in fiscal years 1980-82.

Other bills would prohibit trading in potato futures, establish a separate Packers and Stockyards Regulatory Agency within the U.S. Department of Agriculture, and change regulations covering grain, meat, and poultry inspection, bread labeling, and transportation. Pricing practices in the meat industry and problems faced by small businesses in marketing beef have recently received attention in hearings; additional reports and hearings are planned for early 1980.

International Trade

International Sugar Agreement (ISA). The Senate consented to ratification of the ISA on November 30, 1979. Legislation to authorize implementation of the ISA, H.R. 6029, was approved by the House Ways and Means Committee December 13. Action by the full House is expected in the near future.

Casein imports. Dairy producers feel that it is inefficient and illegal for the Government to purchase nonfat dry milk to support milk prices, while allowing unrestricted imports of casein, which is a substitute in many products. Dairy industry proposals range from quotas on all casein imports to zero quotas on imports intended for human consumption. Following Congressional hearings in the fall of 1979 and a December 1979 International Trade Commission report on the issue, bills to regulate such imports are likely to be introduced.

Emergency food reserve. As the Administration implemented and expanded the farmer-owned grain reserve, it asked the 95th Congress for authorization of a special government-owned grain reserve to be used to assure U.S. food aid commitments and provide emergency food relief. The bill died in the 95th Congress and the request was re-introduced in the 96th Congress. H.R. 4489 would authorize the President to establish a reserve stock of wheat of up to 4 million metric tons for release on a donation or sale basis to provide emergency food assistance to developing countries.

COMMENTARY

FARM STRUCTURE POLICIES IN CANADA, FRANCE AND THE EUROPEAN COMMUNITY

by

C. E. Bray* and Eric Bjornlund**

In response to concern about a perceived acceleration in the trend toward concentration of farm ownership and farm size, Secretary of Agriculture Bob Bergland has called for a "national dialogue on agricultural structure" in order to shape the national policies needed to promote the kind of agriculture wanted for the future. Several other countries have defined specific structural objectives for their farm sector and implemented policies aimed at accomplishing those objectives. Knowing what these other countries are doing may be helpful to the U.S. farm sector as it begins its dialogue on structural objectives and policies.

This paper outlines factors affecting characteristics of farm structure and the implication of farm structure on the performance of the agricultural sector. It then discusses the farm structure policies of the European Community, France, and Canada--developed countries with sizable farm sectors and explicit farm structure policies.

Dimensions of Farm Structure

The concept of farm structure as it is used in this paper refers to the dimensions of the farm production sector, although it is recognized that this sector is related to other parts of the market chain that includes input suppliers, processors, transporters, financiers, wholesalers, supermarkets, and finally consumers. One of the primary reasons for looking at farm structure is the likelihood that structure of the farm sector directly influences its performance. Inappropriate structures can become a barrier to efficient use of resources and lead to such performance problems as inadequate agricultural incomes. The theoretical basis for this approach is the standard industrial organization, structure-conduct-performance paradigm.

The major dimensions of farm structure are:

- (1) the number and size of farms (by commodity/type and by geographic region),
- (2) the degree of specialization, use of resources, and technology,
- (3) tenure or form of business organization, used to coordinate the farm sector with other sectors,
- (4) socio-economic characteristics.

Number and Size of Farms

The number and size of farms are basic physical measurements of farm structure. Farm size distributions can give some indication of the extent of dispersion, fragmenta-

*Agricultural Economist, Agricultural and Trade Policy Branch (ATP), International Economics Division (IED), Economics, Statistics, and Cooperatives Service (ESCS), U.S. Department of Agriculture.

**Economic Assistant, ATP/IED/ESCS.

tion, and concentration of production units in the agricultural sector. Data on farm size provides information about economies of scale and ability to apply existing technologies or techniques associated with specific sized units.

Specialization

The degree of product specialization as indicated by the number and size distribution of farms by crop indicates the extent of industry concentration, technology utilization and scale economies within that crop sector. Specialization has implications for the mix of inputs utilized, as well as the fiscal and financial framework of the production unit.

Form of Business Organization

The type of farm organization quantified in terms of the number of owner-operated, tenant-operated and corporate farms is an indicator of the degree of concentration of control over the use of land resources. Tenure arrangements will obstruct productivity and efficiency of the farm (1) if they do not encourage enlargement to meet technological change, (2) if they do not give security of tenure necessary to encourage the adoption of effective long-range farm investment and planning, (3) if they do not give a fair division of costs and returns between individuals involved, or (4) if they adversely affect entry into farming.

Socio-economic Characteristics

Characteristics such as the average age and managerial or technical skills of farmers indicate the contribution of the labor component to agricultural production. A farmer's technical skills determine how well land and capital are utilized for efficient production. The age of farmers indicates where they are on the productive life cycle. There is concern when the average age of farmers trends upward because it means that a majority of farmers are approaching retirement while a much smaller number of younger farmers are available to assume production.

Determinants of Farm Structure

The determinants of farm structure are factors which operate on and consequently influence the dimensions of farm structure. The determinants of farm structure are interactive and include: variation in input prices, technology, economies of size, variation in commodity prices, risk and expectations, price-cost margins, exchange arrangements, capital requirements, taxes, farmer's goals, resource availability, financing and public policy.

Public policy--a particularly important determinant--influences farm structure by affecting each of the other above determinants and has done so in some manner throughout the history of the European Community, France, and Canada. Public policy can be designed to be neutral toward farm structure or affect it directly or indirectly. Policy can affect structure directly if it is focused on specific dimensions of farm structure such as farm size, or average age of farmers. Although the focus of a policy may be on some aspect other than structure, the reverberations of its impact can be transmitted to structural dimensions. Certainly the general price policies of these nations indirectly affect structure even though their primary focus may have been farm income stabilization. Policy also operates indirectly by guiding the impact of the other determinants (technology, risk, and resource mobility) on the dimensions of farm structure. Since the 1950's for example, technology has greatly increased agricultural productivity. It has led to greater economies

of scale and shifts in the relative uses of inputs which have changed farm structure most notably by increasing optimal farm size. Changes in technology play a role in determining acreage and capital requirements. Public policies designed to facilitate the development and adoption of new technologies will indirectly influence changes in farm structure.

Farm Structure Policy

As indicated in the previous two sections there are numerous theoretical dimensions and determinants of farm structure. Discussion in this paper, however, focuses on public policy as a determinant of farm structure. The policies discussed are those developed to deal directly with specific structural dimensions. Analysis of the structural policies developed by the European Community, France and Canada indicates that in Europe the major dimensions focused on are (1) the number and size of farms and (2) socio-economic characteristics. In Canada they are (1) tenure (including the ownership and control of productive resources, particularly land), (2) the number and size of farms, and (3) socio-economic characteristics. The policies discussed in the following section are illustrative examples of the types of objectives and policies that can be implemented to deal with structural issues and are not intended to be comprehensive for all countries, objectives and policies.

The European Community (EC)

Structure policies in perspective. EC structure policy operates within the context of the Common Agricultural Policy (CAP). The CAP provides considerable support to the incomes of farmers throughout the Community and protects EC farmers from price variability in international commodity markets. Its price supports and producer subsidies have maintained farmer returns at relatively high levels. Inefficient producers who can obtain sufficiently high returns and remain operative may not face incentives to increase efficiency. While EC price supports may tend to maintain the existing farm structure, explicit structure policies are also in effect to encourage structural change and consolidate farms. The effect of the EC's price support policy is to increase the expenditures necessary to set into motion the desired changes in structure which are the objectives of the structure programs. In 1977 expenditures on structural programs at \$104 million equalled about 1 percent of total expenditures under the Guidance and Guarantee Sections of the CAP.

Mobility of farmland for structural reform purposes, however, does seem to be taking place at a modest pace in the European Community. The total number of farms has been decreasing with most of the decline registered in the less than 20 hectare category with increases in the category of farms over 20 hectares during the period 1970-75. Total farm population has decreased an average of 4 percent between 1968 and 1977. In 1977, the number of people under 35 years of age comprised 41 percent of the total population but only 23 percent of the active farm population. The average number of people over 55 years of age accounted for a minority of the total population--14 percent, but accounted for 25 percent of the active farm population.

Farm consolidation and farmer retirement programs. Farm structure policy in the European Community (EC) is set by the European Commission but implemented by member countries. The legacy of land holdings fragmented by inheritance laws explains the severe imbalance in the ratio of productive resources, notably land and labor in the European Community. This adverse ratio is reflected by the fact that 77 percent of all farms are less than 20 hectares. Two related themes therefore dominate Community structure policy: farmland consolidation and the welfare of older farmers. These two themes are closely linked and serve the primary goal of integrating the agricultural sector into the general economy through the development of viable farming units. A viable farming unit is defined as one which after a period of six years of

modernization will provide a farmer with an income comparable to that obtained from a nonfarm occupation in the same region. Farms that appear to be viable are granted selective aids, including consideration in the reallocation of land, interest rebates or investment credits, and loan guarantees. In 1977, expenditures for farm modernization amounted to \$21 million.

In the EC and its member countries, farm structure policy and social policy are closely linked. EC structure policy provides incentives for older farmers to leave agriculture and transfer their land either through sale or long-term lease to other farms undergoing modernization and enlargement. Farmers between the ages of 55 and 65 are granted an annual allowance until they reach retirement age. Member countries of the EC may pay additional grants based on the agricultural area released by the retiring farmers. In 1977 expenditures on farmer retirement equalled \$146,000.

Aid to disadvantaged regions. The price support provisions of the CAP and the EC farm structure programs effected little change in farm income in economically lagging, resource-poor regions of the Community. As a result, the Commission issued a directive in 1974 on hill farming. Under the directive, even inefficient farms in these poorer regions are preserved in order to maintain minimum population and income levels as well as the economic and social infrastructure of the region.

The hill farming directive is a program of regional development that uses income supplements paid to farmers in poor regions as its primary policy instrument. The directive provides for member states to grant compensatory allowances to farmers who have at least 3 hectares of utilized agricultural area and who undertake to farm the area for 5 years. The allowance is calculated by the member state on the basis of the livestock kept or the area farmed.

The agricultural areas affected by the directive are mainly mountain areas, less favored areas with rapid out-migration and areas affected by natural handicaps in the case of islands. These areas represent about one-quarter of the Community's agricultural area but account for only about 10 percent of agricultural production.

Italy is the major beneficiary of the programs initiated under the hill farming directive, with aid also being directed to Ireland and to parts of southern France. In 1977 EC expenditures under the directive on hill farming amounted to \$81 million, well over half of the EC expenditure on structural measures.

France

Farm structure trends. Evidence indicates that farm size in France has been increasing (Table 1). In 1960, 840,100 holdings or 47.4 percent of French farms were less than 10 hectares in size and only 97,800 or 5.5 percent were over 50 hectares. By 1976 the number of farms under 10 hectares had dropped 415,000 and accounted for 35.3 percent of all farms, while the number of farms over 50 hectares rose to 141,000--about 12 percent of the total. Average farm size increased from 17.0 to 25.1 hectares during the period 1960 to 1976.

An increasing number of younger farmers have been entering agriculture in France and older farmers have been exiting the agricultural sector. The number of farmers of age 15-29 grew by 15,000 between 1962 and 1975 or by 20 percent. In 1962, 542,119 farmers were over the age of 60, accounting for 33.5 percent of the total number of farmers. In 1975 the number of farmers over 60 had dropped to 222,750, or 19.4 percent of the total.

Farm consolidation and farmer retirement programs. French farm structure policy predates EC policy and emphasizes the consolidation of highly fragmented farm units through the redistribution of land made available by the early retirement of farmers

Table 1--France: Indicators of Farm Structure, Selected Years

	Unit	1960	1967	1970	1975	1976
Number of farms <u>1/</u>	Thousands	1,773.5	1,575.9	1,420.9	1,209.0	1,174.0
Average size of farms	Hectares	17.0	19.1	21.0	24.3	25.1
Population						
Total	Thousands	45,684	49,548	50,770	52,786	52,915
Farm	Thousands	10,096	<u>3/</u> 7,964	6,961	5,764	5,530
Size distribution of farms <u>2/</u>						
1-10 hectares	Thousands	840.1	681.8	576.1	433.0	415.0
10-50 hectares	Thousands	835.6	785.0	724.0	636.0	618.0
Over 50 hectares	Thousands	97.8	109.1	120.4	140.0	141.0

1/ Holdings over 1 hectare.

2/ Agricultural area.

3/ Extrapolated from data for 1965.

Sources: Eurostat, Agricultural Structure, 1950-1976.

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participating in retirement incentive programs. These programs are guaranteed by the Social Fund for Improvement of Farm Structure (FASASA) which also supports a retraining program for young farmers who want to leave agriculture for nonagricultural employment. In 1975 expenditures on FASASA amounted to approximately 50 percent of national expenditures on agriculture.

The redistribution of land is facilitated also by the Societies d' Aménagement Foncier et d' Etablissement Rural (SAFER) which are jointly operated by the French government and farm organizations. The SAFER function is to consolidate land holdings for small farmers who appear likely to develop successful operations. The SAFER buy farmland, effect necessary improvements (which are subsidized by the government) and redistribute the land through sale or other arrangements. The individual to whom the land is sold is selected on the basis of a set of viability criteria which include the size and capital resource base of the farm. Impending sales are reported to the SAFER and they have the legal right to preempt sales in order to avoid transfer of land which may obstruct structural improvements. To prevent the government from becoming a land-owner, the SAFER are empowered to hold land for a maximum of only 5 years.

Canada

Structure trends. The indicators of farm structure in Canada reveal a trend toward increasing farm concentration. Average farm size has increased from 145.3 hectares in 1961 to 201.9 hectares in 1976 (Table 2). During the same period the number of farms had dropped from 480,903 to 338,578. The number of owner-operated farms has declined from 350,428 to 189,063; thus, in 1961 owner-operated holdings comprised 73 percent of all farms while in 1976 they were only 56 percent. The number of partly owned and fully rented farms increased from 26 to 31 percent of the total number of farms during the period. Similarly, farm population had dropped significantly, from 2.1 million to 1.1 million. In 1961 this represented 11.7 percent of total population while in 1976 agricultural population was only 4.6 percent of the total. From 1961 to 1971, the number of young farmers dropped, but between 1971 and 1976 the number of operators under 25 years of age increased from 8,649 to 11,335. The number of farmers over 70 years of age continued to trend downward between 1971 and 1976.

Farm structure policy. The major structural issues in Canadian agriculture are (1) the maintenance of the owner-operated family farm, (2) increases in farm size, (3) the loss of agricultural land to nonagricultural uses, (4) difficulty associated with the intergenerational transfer of farmland, and (5) the maintenance of the rural social infrastructure in isolated areas in the face of depopulation.

Canadian farm structure policy consists of a composite of separate policies developed at the Provincial level to deal with specific problems affecting farm structure. Under current interpretation of the British North America Act (BNA Act), a component of the Canadian Constitution, Federal and Provincial governments share responsibility for agriculture and have a wide range of commodity programs that affect farm structure. Several Provinces have land use, land tenure and ownership programs such as the Saskatchewan Farm Ownership Act. Two of the most innovative and relevant to U.S. structural issues are the Saskatchewan Land Bank and the British Columbia Land Commission Act.

The Saskatchewan Farm Ownership Act of 1974 was developed to ensure that residents of the Province who were involved in farming on a full-time basis and who spend a major part of their time and agricultural income in the Province will have control of agricultural resources. The Farm Ownership Board is empowered to prohibit non-residents and nonagricultural corporations from owning more than 65 hectares or a quarter section. Nonresidents need not dispose of land holdings acquired between

Table 2--Canada: Indicators of Farm Structure, Selected Years

	:	:	:	:	:					
	:	Unit	:	1961	:	1966	:	1971	:	1976
	:	:	:	:	:	:	:	:	:	:
Number of farms <u>1/</u>	:	Number	:	408,903	:	430,522	:	366,128	:	338,578
Average size of farms <u>1/</u>	:	Hectares	:	145.3	:	163.5	:	187.4	:	201.9
Population	:		:		:		:		:	
Total farm population	:	Thousands	:	2,128.4	:	1,960.4	:	1,489.6	:	1,056.6
Farm population as a percent of total population	:	Percent	:	11.7	:	9.8	:	6.9	:	4.6
Farms by tenure	:		:		:		:		:	
Owner	:	Number	:	350,428	:	310,684	:	251,066	:	189,063
Tenant	:	Number	:	27,696	:	19,769	:	19,200	:	17,298
Part-owner, part-tenant	:	Number	:	100,383	:	97,597	:	95,862	:	93,757
Manager	:	Number	:	2,396	:	2,472	:	<u>2/</u>	:	<u>2/</u>
	:		:		:		:		:	

1/ Figures not necessarily comparable between census years due to changes in the definition of a "census farm."

2/ In 1971 and 1976 census, land operated by a hired manager was classified as either owner or tenant.

Source: Selected Agricultural Statistics for Canada, Agriculture Canada, Economics Branch, June 1977.

March 31, 1974 and September 15, 1977 if the assessed value of the holdings for taxation is not greater than \$15,000. No nonresident holding land prior to 1974 is required to dispose of it. If a nonagricultural corporation has holdings in excess of 65 hectares it must dispose of the excess land by January 1, 1994 and must submit a land holding disclosure statement to the Farm Ownership Board once a year.

The Provincial Government of Saskatchewan developed the Saskatchewan Land Bank Program to alleviate some of the problems associated with the intergenerational transfer of land. The Land Commission, a Saskatchewan government agency, purchases farmland, thereby absorbing the capital costs of the land transfer and then rents the land to applicant farmers who have the desire and ability to begin farming but lack substantial family assistance. The leases are long term and tenants are reimbursed for any capital improvements they make. After 5 years the tenant has the option to purchase. Applicant tenants are chosen on the basis of a competitive point system. The criteria used to allocate points (size of holding, number of work units, and age and education of the operator) specify the structural characteristics of a viable farm unit as conceived by the Saskatchewan government.

The British Columbia agricultural land use program implemented by the Land Commission Act was one of the first comprehensive attempts on the part of a Province to redirect the process of agricultural land allocation to nonagricultural uses. In December 1972 the Provincial government placed a moratorium on all future use of certain agricultural land for purposes other than farming. Agricultural Land Reserves (ALR) were established to preserve agricultural land for agricultural use.

The Farm Income Assurance Program (FIAP) is a corollary of the Land Commission Act. Under the land program, agricultural land may be used only for agricultural purposes. The basis of this program is the premise that if land with agricultural production potential is restricted to agriculture, production on it should provide farmers a decent income. Under the FIAP, producers and the Provincial government contribute premiums to an assurance fund. Indemnities are paid out of the fund when market returns fall to a specified percentage of the basic cost of production as determined by an econometric model. Basic costs include the calculated costs of labor, management, depreciation, interest on investment and cash operating costs. The Income Assurance Program is in effect for a wide variety of commodities. Between November 1973 and September 1977, \$89 million had been paid out under the program, representing an average of \$17,800 per participating producer.

The British Columbia ALR did effect a major shift in the location of new residential and commercial development between 1972-1974. In addition, the ALR prevented much change in land use within its boundaries. The rate of subdivision within the ALR was considerably lower than in undesignated areas. The designation of land as agricultural within an ALR plan, however, was not enough to assure land was actually under agricultural production. Much of the ALR land was left idle because returns from farming were insignificant in relation to the costs of capital investment on land which had been purchased at prices reflecting demand for the land for urban subdivisions. The brief experience with the ALR demonstrates that if economic conditions in the farm sector are not conducive to allocating land to agricultural production, opportunity costs are incurred by keeping land for agriculture and even greater costs are incurred by leaving it idle.

Conclusions

The policy objectives of farm structure programs in other countries may differ from those that would be applicable in the United States. However, this brief survey of structural policies reveals a range of policy instruments that could be used to effect changes in farm structure in the United States.

The countries surveyed have developed explicit farm structure policies and identified policy instruments that could be used to effect desired changes in farm structure. The farm structure dimensions focused on by these policies are primarily the number and size of farms and the socio-economic characteristics of the farm sector. The Canadian programs also deal with the form of business organization and farm tenure. Explicit criteria, such as farm size, farmer age and income level have been developed as a basis for allocating assistance under the SAFER in France, and the Saskatchewan Land Bank in Canada. These criteria indicate the structural characteristics that are considered optimal and toward which programs are directed. In the countries reviewed, farm price and income policies have, of course, also played a major role in shaping the structure of agriculture as have historical, cultural, economic and other factors.

Government Control of Farmland Use

In Canada and France, government assumes an active role in controlling the allocation of land in order to effect structural changes that are not taking place through the operation of the real estate market. In these countries the Government purchases farmland and redistributes it to farms for the purpose of increasing farm size or production efficiency. This approach can provide considerable flexibility in controlling farmland prices, land use patterns, and foreign ownership of land, but it involves government in land ownership to a much greater degree than has been the case in the United States.

The French and Canadian (Provincial) governments effect desired changes in farm structure by assuming the risks that are perceived to hinder the achievement of specified structural goals. Under the Saskatchewan Land Bank Program, the government absorbs the capital costs associated with land purchases in order to facilitate the intergenerational transfer of farmland. The French SAFER purchase land to consolidate small, inefficient farms into larger, more viable units.

Regional Development and Social Welfare

In the European Community and France the goal of developing larger, more efficient farms is juxtaposed with social welfare objectives for specific disadvantaged regions. The European Community's directive on hill farming provides an example of a policy aimed at resolving social issues such as regional depopulation or loss of rural social infrastructure that override farm structure issues such as the development of commercially viable farms. Structural adjustment may also result in the temporary or even permanent dislocation of resources, particularly farm labor. Welfare programs such as old age pensions and farm worker retraining ease the social effects of such policy induced dislocations.

Farmer retirement programs are a common element in the structural policies reviewed. In the European context they serve to redress the persistent imbalance between land and labor which has perpetuated the fragmentation of farms. These programs encourage older farmers to leave agriculture so that their land can be consolidated into larger farms.

POLICY RESEARCH NEWS ITEMS

(projects and activities as submitted)

OECD Annual Review of Agricultural Policies

This report provides a description, analysis and assessment of policy measures adopted by OECD member countries during 1979. An annex of basic agricultural statistics of OECD countries provides relevant data to support the analysis. In addition two country notes concerning specific policy measures in Sweden and Turkey are included.

For additional information about this research, contact Herbert Raidl, Head, Agricultural Policies Division, OECD Directorate for Food, Agriculture and Fisheries, 2 rue Andre Pascal, 75016 Paris, France, or order a copy of the report (charge) from OECD Publications and Information Center, 1750 Pennsylvania Avenue, N.W., Suite 1207, Washington, D.C. 20006.

Background of 1977 Act Published

The Agricultural-Food Policy Review III reviews the development of the Food and Agriculture Act of 1977. Organized as a source book, it provides a background to understanding the food and agricultural policy process and the issues that were faced in the debate over new food and agricultural legislation. In discussing the policy decisionmaking process, it provides insight as to how issues were resolved by the inclusion of specific provisions within the 1977 Act. Comprehensive food and agricultural legislation will again be developed in 1981. This publication facilitates understanding of issues likely to emerge and suggests the manner in which they may be resolved.

Request a copy of Agricultural-Food Policy Review III, February 1980, from ESCS Publications, Room 0054-S, USDA, Washington, D.C. 20250.

Analysis of Domestic and Trade Policies for the Agricultural Sector

This research includes further development of the WHEATSIM and FEEDSIM models with emphasis on the analysis of the demand for U.S. exports and use of these models to evaluate domestic and trade policy alternatives.

Inquire about this research and request the paper, "WHEATSIM: A Policy Model for Analysis of Wheat Policy Alternatives," USDA ESCS CED Working Paper, January 1979, from Jerry A. Sharples, USDA ESCS, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana 47907.

New Book on Stockpiling of Grain

A book by Bruce Gardner on Optimal Stockpiling of Grain is now available. It develops the principles of optimal inventory control for several simple hypothetical examples, and then applies the principles to worldwide and U.S. wheat storage. Issues discussed in this context include: optimal price stabilization, the optimality of private speculative storage, externalities in storage, joint stockpiling of food and feed grains, the use of econometric models of grain markets, and the U.S. analysis of current U.S. storage problems.

Inquire from the author, Department of Agricultural Economics, Texas A&M University, College Station, Texas 77843, or from the publisher (charge), Lexington Books, 125 Spring Street, Lexington, Massachusetts 02173.

Agricultural Tenancies, Legitimacy and Rural Politics

This research will be concerned with a comparative analysis of conditions in Kansas and in Rajasthan State, India during 1980-82. The focus is on agricultural tenants' perceptions of what constitutes a fair and legitimate landlord-tenant relationship, and the link between this and rural politics. The hypotheses are derived from existing literature on agrarian patron-client relations and agrarian reform.

Inquire about this research from Aruna Nayyar Michie, Department of Political Science, Kansas State University, Manhattan, Kansas 66506.

Dairy Import Policy

A study has been completed which analyzes whether casein imports should be restricted pursuant to Section 22 of the Agricultural Adjustment Act of 1933. This section provides for import limitations whenever imports of a product materially interfere with domestic agricultural programs or the domestic production of agricultural products subject to such programs.

Inquire about this analysis and request a copy of a related testimony at a U.S. Congressional Hearing, "Statement on Limitation of Casein Imports," from Truman F. Graf, 316 Agricultural Hall, University of Wisconsin, Madison, Wisconsin 53706.

Monthly Food Price Review

Each month, shortly after the release of the CPI, the USDA and the Council on Wage and Price Stability release a joint report outlining price trends in the food business and assessing progress in the antinflation program as related to food.

For information about this effort and to receive the report, contact Stephen J. Hiemstra, Food, Agriculture and Trade Division, Council on Wage and Price Stability, Room 400, 600 17th Street NW, Washington, D.C. 20006.

Organizations and Groups Involved in Agricultural and Food Policy

This research has resulted in a comprehensive report identifying about 460 organizations and groups with interests and concerns on food and agricultural policy issues. The organizations include producer advocates, business and industry, citizen and consumer groups, public employee and public institutions, and research and professional groups. One chapter identifies 82 political action committees related to food and agriculture. Another assesses the effectiveness of various groups.

Inquire about this research from Harold D. Guither, Department of Agricultural Economics, University of Illinois, Urbana, Illinois 61801, and request information about the forthcoming book (charge) entitled, The Food Lobbyists: Behind the Scenes of Food and Agri-Politics, from Lexington Books, D.C. Heath Co., 125 Spring Street, Lexington, Massachusetts 02173.

Causes of Protest in American Agriculture

The purpose of this study is to analyze causes of protest in American agriculture, to delineate the conditions under which it occurs, and to see who gets involved and why. Two approaches are considered: (1) a survey of the views of 638 farmers in Kansas about farm policy and the American Agriculture Movement, and (2) historical research to test hypotheses that explain the beginnings of the National Farmers Union, the Farm Holiday Organization, and the National Farmers Program.

Inquire about this research and forthcoming publications from Aruna Nayyar Michie, Department of Political Science, Kansas State University, Manhattan, Kansas 66506.

Disaster Assistance to Farmers

This effort involves a review of the Secretary of Agriculture's proposal for a comprehensive crop insurance program. It compares this proposal with existing disaster assistance programs and with farmers' needs for protection.

Inquire about this review and a related publication from Warren L. Trock, Department of Economics, B312 Clark Building, Colorado State University, Fort Collins, Colorado 80523.

Water Policy Research

Research is being carried on at the University of Minnesota and Colorado State University under a grant from the U.S. Agency for International Development to study water policy. This project has a world scope and is designed to provide direct inputs into policy research.

Inquire about this research from William Easter, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, Minnesota 55108, or Robert Young, Department of Economics, Colorado State University, Fort Collins, Colorado 80521.

Policy Issues in the Changing Structure of Beef Packing

This study, done upon request of the U.S. House of Representatives Committee on Small Business, involves an extensive and in-depth structural analysis of the beef packing industry.

Inquire about this research from Willard F. Williams, Department of Agricultural Economics, Texas Tech University, Lubbock, Texas 79406, and request the report entitled, "The Changing Structure of the Beef Packing Industry," from the above researcher or from the Committee on Small Business, Rayburn House Office Building, U.S. House of Representatives, Washington, D.C. 20515.

Policy of Market Milk Reserves in Balancing Supply and Demand

This study is an analysis of the function and cost of coordinating and balancing market milk supply with demand in the intermountain area. It is based on daily delivery of milk by 7 dairy cooperatives to 55 market milk and 31 manufacturing and balance plants for one year, and on the costs of operating a balance plant.

Inquire about this research and request a copy of Study Paper 79-8 entitled, "The Function and Cost of Market Milk Reserves and Balancing Supply with Demand," from Rondo A. Christensen, UMC 35, Department of Economics, Utah State University, Logan, Utah 84322.

The Economic Impacts of a Policy of Pesticide Withdrawal

A linear programming, crop-planning-model approach was used to evaluate the farm-level impacts of restrictions on the use of selected herbicides and insecticides on corn and soybeans on typical farms in Indiana. The research was funded under the North Central Region Pesticide Impact Assessment Program.

Inquire about this research from Marshall A. Martin, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana 47907.

Agricultural Land Preservation Along the California Coast

A research project has just been completed which examines different economic criteria to establish minimum lot sizes for agricultural land. The study was done in conjunction with the California Coastal Commission which is charged with the preservation of agricultural land along the coast. In addition, the study provides a look at the potential income for farmers from joint recreational and agricultural use.

Inquire about this project and forthcoming publications from George Goldman, 319 Giannini Hall, Cooperative Extension, University of California, Berkeley, California 94704.

Bureau of Land Management Policy Change Impacts

An appraisal was made of supply resource impacts on farmers from BLM policy changes in grazing allotments and grazing fees by using a linear programming model and 6 aggregations of 36 Northeastern Nevada ranches. Net revenue on sample ranches decreased 177 percent with allotment reductions to 60 percent, and by 234 percent with elimination of spring grazing. Supply response was inelastic until fees were increased to \$2.50 per animal unit month.

Inquire about this research from William O. Champney, 220A, F.A.B., College of Agriculture, University of Nevada, Reno, Nevada 89557. Request the paper, "Impact of Changes in Public Land Policy on a Sample of 36 Ranches in Elko County, Nevada," (by Allen Torell, J. R. Garrett, and C. T. K. Ching, MS 117, October 1979) from one of these authors at the Division of Agricultural and Resource Economics, Department of Agriculture, University of Nevada, Reno, Nevada 89557.

POLICY RESEARCH PUBLICATIONS AVAILABLE

(listed as submitted)

- ALBISU, LUIS, AND DAVID BLANDFORD. "The Influence of the European Community Tariff Policy on European Orange and Mandarin Prices." Cornell Agricultural Economics Staff Paper #79-32, October 1979.
Request paper from Publications, 205 Warren Hall, Cornell University, Ithaca, New York 14853.
- BABB, E. M., D. A. BESSLER, AND J. W. PHEASANT. "Analysis of Over-Order Payments in Federal Milk Marketing Orders." Purdue University Station Bulletin 235, 1979.
Request copy from E. M. Babb, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana 47907.
- BENBROOK, CHARLES. "An Examination of the Fledgling Alliance of Soil Conservation and Commodity Price Support Programs." North Central Journal of Agricultural Economics, January 1980.
Request copy from author, Department of Agricultural Economics, 1450 Linden Drive, Madison, Wisconsin 53706.
- BLANDFORD, DAVID. "Trend and Fluctuations in the Agricultural Exports of Less-Developed Countries, 1950-76." Cornell International Agriculture Mimeograph No. 66, July 1979.
Request this report from Publications, 205 Warren Hall, Cornell University, Ithaca, New York 14853.
- DORNER, PETER, and MARK MARQUARDT. "The Family's Role in the Wisconsin Family Farm" (follow-up longitudinal study of a sample of farms).
Request this department staff paper from Peter Dorner, Department of Agricultural Economics, University of Wisconsin, Madison, Wisconsin 53706.
- HARBERT, LLOYD, and DAVID BLANDFORD. "Trade Adjustment Assistance and Labor Displacement in the U.S. Sugar Industry." Cornell Agricultural Economics Staff Paper #79-20, July 1979.
Request this paper from Publications, 205 Warren Hall, Cornell University, Ithaca, New York 14853.
- HIEMSTRA, STEPHEN J. "Impacts of Pay and Price Standards on the Food Industry." Southern Economic Association, November 1979.
Request this speech from author, Food, Agriculture, and Trade Division, Council on Wage and Price Stability, Room 400, 600 17th Street NW, Washington, D.C. 20006.
- HOOVER, DALE M.
"Agriculture and Food Policy Education: Are We Meeting the Needs" and
"Inflation, Agriculture and Food Economy: Discussion."
Request these AAEA August 1979 papers from author, Department of Economics and Business, North Carolina State University, Raleigh, North Carolina 27650.
- JABARA, CATHY L. and ALAN S. BRIGIDA. Variable Levies: Barriers to Grain Imports in France, the Netherlands, Federal Republic of Germany, and United Kingdom. USDA ESCS Foreign Agricultural Economic Report No. 156, March 1980.
Request report from ESCS Publications, Room 0054-S, USDA, Washington, D.C. 20250.

MARTIN, MARSHALL A.

"Can We Feed a Hungry World? A Study Guide." Purdue Agricultural Economics EC-498, 1979 and

"Inflation: Sources and Solutions." Purdue Farm Management Report, August 1979.

Request copies of these releases from author, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana 47907.

MICHIE, ARUNA NAYYAR.

"Agricultural Policy and Political Viability in Rural India." Comparative Political Studies, October 1979;

"Agricultural Modernization and Economic Equality: The Indian Experience." Social Science Quarterly, September 1978;

"Patron-Client Relations and the Commercialization of Agriculture." Paper.

Request copies from author, Department of Political Science, Kansas State University, Manhattan, Kansas 66506.

MICHIE, ARUNA NAYYAR. Growth and Inequality: The Political Consequences of Agrarian Change in Rural India. Asian Studies Center Monograph, Winter 1978.

Request above monograph (may be a charge) from Asian Studies Center, Michigan State University, East Lansing, Michigan 48823.

MILLER, ROBERT H.

"US Tobacco Policy: Burning at Both Ends." Farm Index, pp. 10-12, November 1979, and

"Tobacco Consumption Trends and the Anti-Smoking Campaign." Speech.

Request copy of the above Farm Index from ESCS Publications, Room 0054-S, USDA, Washington, D.C. 20250, and copy of the speech from the author, USDA ESCS, Room 212, 500 12th Street S.W., Washington, D.C. 20250.

OKORIE, AJA, and DAVID BLANDFORD.

"Demand and Prospects for Cocoa in the 1980's." Cornell Agricultural Economics Staff Paper #79-21, July 1979, and

"World Market Trends and Prospects for Cocoa." Cornell International Agriculture Mimeograph No. 67, July 1979.

Request above reports from Publications, 205 Warren Hall, Cornell University, Ithaca, New York 14853.

O'ROURKE, A. DESMOND.

"Direct Marketing: Its Implications for Agricultural Development in the Pacific Northwest States" and

"Past and Future Development of Markets for Pacific Northwest Agricultural Products."

Request papers from author, Department of Agricultural Economics, Washington State University, Pullman, Washington 99164.

PENN, J.B. "Food and Agriculture: Problems and Policies for the 1980's."

Speech before the Chicago Farmers Club, Chicago, Illinois, November 5, 1979.

Request a copy of this speech from the author, USDA, ESCS, Room 400, 500 12th Street S.W., Washington, D.C. 20250.

SCHUH, G. EDWARD.

"Agricultural and Community Issues: New Challenges and New Opportunities,"

"Government Policy and the Production of Animal Protein: An International Perspective,"

"The Future of Agriculture in the 1980s,"

"Floating Exchange Rates, International Interdependence and Agricultural Policy" and

"The Lesser-Developed Countries and the Multi-Lateral Trade Negotiations."

Request these papers from author, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, Minnesota 55108.

SHARPLES, J. A. "An Alternative Farmer Reserve Program." USDA ESCS CED Working Paper, April 1979 (Proposes direct storage subsidy in place of current farmer reserve).

Request this paper from author at USDA ESCS, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana 47907.

SPITZE, R. G. F. "Agriculture and Food Policy Education for Graduate Students-- Performance and Alternatives." University of Illinois Staff Paper 79 E-89, July 1979.

Request copy of this AAEA August 1979 paper from the author, Department of Agricultural Economics, University of Illinois, Urbana, Illinois 61810.

SPITZE, R. G. F. and H. D. GUITHER.

Future National Policies and Illinois Agriculture. University of Illinois AES AERR 165, September 1979, and Illinois Farm Property Taxes, by H. G. Halcrow, R. G. F. Spitze, Folke Dovring, H. D. Guither, and F. J. Reiss. AERR 169, September, 1979.

Request information about these reports (from Projections into 1980's project) from R. G. F. Spitze, Department of Agricultural Economics, University of Illinois, Urbana, Illinois 61801 (will be notified before sending if a charge).

WALLACE, NANCY E. AND A. DESMOND O'ROURKE. "The Pacific Northwest Processing Sector."

Request paper from A. Desmond O'Rourke, Department of Agricultural Economics, Washington State University, Pullman, Washington 99164.

WILLIAMSON, J. C., C. R. PUGH, and D. M. HOOVER. "The Tobacco Program." Tarheel Economist, October 1979.

Request copy of this issue of the Tarheel Economist from its editor, Department of Economics and Business, North Carolina University, Box 5368, Raleigh, North Carolina 27650.

